nt>

Title: Demand to increase the low import duties on various agricultural products like rubber, coconut, tea, coffee, etc.

SHRI P.C. THOMAS (MUVATTUPUZHA): Mr. Deputy-Speaker, Sir, I am very happy that the Finance Minister is present here today. The low import duties on many of our agricultural products like rubber, coconut, tea, coffee etc. are affecting our farmers very much and, so, they have to be increased. There are no WTO restrictions, especially on agricultural products like coconut, where the Government can raise the import duty upto 300 per cent. Unless the Government raises it upto 300 per cent now, it cannot do it later because they will have to bring it down after 2005. So, I would suggest that the Government should raise the import duty on these items.

Sir, there are loopholes in the WTO Agreement, but the Government of India is not using them. Unless the Government uses them, the farmers of India will be put to a very great loss. As far as rubber is concerned, the price of rubber was Rs.70 earlier and it has come down to Rs.27 now, because the cost of production has gone up very much. If this is the position, how can the farmers survive in India?

We are having a good reserve of foreign exchange and we could keep it so due to our agricultural products. Unless we produce rubber, coconut, tea, coffee etc., which we are producing in large quantity now, we will have to import them from other countries. But import of these products is not required now. But since the import duty on these products is very less, import of coconut and tea from Sri Lanka is continuing.

Sir, when we discussed about the falling prices of agricultural products in the House, the Agriculture Minister replied to the debate. He cannot say anything with regard to import duties and he can only say that he would talk to the Finance Minister. When we go to the Commerce Minister, he also says that he can only talk to the Finance Minister. So, I would request that the Finance Minister should say something in this regard now, because unless the import duties on agricultural products are not increased now, all our farmers producing rubber, coconut, tea, coffee, paddy, sugarcane etc., will be put to a very heavy loss. So, I urge upon the Finance Minister to respond to this issue now. ...(*Interruptions*)

SHRI ANIL BASU (ARAMBAGH): Mr. Deputy-Speaker, Sir, this is a very important issue, but unfortunately there is no response from the Finance Minister. ...(*Interruptions*)

MR. DEPUTY-SPEAKER: He wants to respond now. Do you not want him to respond?

THE MINISTER OF FINANCE (SHRI YASHWANT SINHA): Mr. Deputy-Speaker, Sir, various subjects that are discussed in this House are dealt with by various Ministries. When my colleague, Shri Nitish Kumar was replying to the debate on the falling prices of agricultural products, I was present in the House. He was fully competent, fully authorised to talk about duties also and he, in fact, did so. He informed the House about the duty structure of the various agricultural products.

Now, let me make two or three points clear as far as the Finance Ministry is concerned. In this year's Budget, I deliberately raised the duty to peak rates on all items of consumer goods and on all items of agriculture. They were all taken to peak rates of duty, that is, 35 per cent, plus surcharge, plus 4 per cent SAD, plus counterveiling duty wherever it applies. When the Agriculture Minister was answering to the debate, he gave specific figures. I do not have specific figures with me now.

But I will make a general point that we were aware of it. Therefore, in order to discourage imports of these items into this country, we raised it to peak rates. It was not the case before.

The second point which I would like to make is that we are continuously monitoring the situation. Wherever it becomes necessary or appears necessary to do so, we are raising duties to even the WTO-bound rates keeping in mind the larger interests of the consumers.

I would like to state with all emphasis at my command in this House that, today, there is absolutely no situation where as a result of duties and flood of imports, any of the agricultural products is being compromised. ...(*Interruptions*)

That is not the case.

MR. DEPUTY-SPEAKER: Now, Shri A.P. Abdullakutty....(*Interruptions*)

SHRI YASHWANT SINHA: There is one more point. ...(*Interruptions*) I forgot about it. ...(*Interruptions*)

MR. DEPUTY-SPEAKER: He is standing to respond.

SHRI YASHWANT SINHA: As far as the case of Sri Lanka is concerned, let me also make it clear that we have an agreement with Sri Lanka which has been entered into by the Government of India. As far as that agreement is concerned, it enjoins upon both the countries that they will charge bilaterally only half the fixed rates of import duties. This is a reciprocal arrangement. Sri Lanka gives us that advantage. We give that concession to Sri Lanka. That is the position. ...(*Interruptions*)

SHRI K. FRANCIS GEORGE (IDUKKI): But for copra, they have raised it up to 300 per cent....(*Interruptions*)

SHRI SURESH KURUP : The farmers are suffering. ...(*Interruptions*)

MR. DEPUTY-SPEAKER: No clarification during the Zero Hour, please.

...(*Interruptions*)

SHRI P.C. THOMAS : The Minister of Finance had said that the farmers are not affected by the imports. It is a wrong notion. I can quote the figures for coconut. 'Three hundred per cent' is the peak one. But the Minister has just now said that the import duty has been raised up to the peak percentage. It is not like that. He has increased it to 65 per cent. He can increase it to '300'.

My submission is that unless you increase it to 300 per cent now, after some time, the WTO Agreement will not allow you even if you want to do so. ...(*Interruptions*)

That is the provision. ...(*Interruptions*) As far as rubber is concerned, it is an agricultural produce. ...(*Interruptions*)

MR. DEPUTY-SPEAKER: Now, he is giving an answer.

...(*Interruptions*)

SHRI K. FRANCIS GEORGE : All other items are being kept at a lower level. ....(*Interruptions*)

SHRI P.C. THOMAS : 'Rubber' is an agricultural produce.â€¦ (*Interruptions*)

MR. DEPUTY-SPEAKER: Shri Thomas, what is this? He is going to respond now.

SHRI SURESH KURUP (KOTTAYAM): Rubber is treated as a commercial item. That is the problem.

MR. DEPUTY-SPEAKER: You mix up everything, that is, rubber and coconut.

...(*Interruptions*)

MR. DEPUTY-SPEAKER: He is going to respond about coconut and import of palmolin.

SHRI YASHWANT SINHA : Mr. Deputy-Speaker Sir, my colleague the hon. Agriculture Minister had informed the House that day that as far as the edible oil sector is concerned, we have revised steeply upwards all duties...(*Interruptions*)

SHRI P.C. THOMAS): But not to the peak. He said that it had been raised to the peak...(*Interruptions*) It has not been done...(*Interruptions*)

SHRI YASHWANT SINHA: In many cases it has been raised to the peak...(*Interruptions*)

SHRI P.C. THOMAS : For palmolein you can raise it up to 300...(*Interruptions*)

SHRI YASHWANT SINHA: It is not necessary...(*Interruptions*)

SHRI P.C. THOMAS : Sir, it is necessary ...(*Interruptions*) Sir, he can raise it...(*Interruptions*)

SHRI YASHWANT SINHA: No, it is not necessary. We have said on the 21st of November...(*Interruptions*)

MR. DEPUTY-SPEAKER: Let us hear him first. Shri Thomas, please take your seat.

...(*Interruptions*)

MR. DEPUTY-SPEAKER: You want the hon. Minister to reply and when he is responding, you are not allowing him to speak.

...(*Interruptions*)

SHRI YASHWANT SINHA: Sir, as far as the duties and imports are concerned, I am prepared for any discussion. I have all the facts and figures with me. I can give it to the House. They are talking without any facts...(*Interruptions*)

MR. DEPUTY-SPEAKER: We will have some time for discussion.

...(*Interruptions*)

MR. DEPUTY-SPEAKER: Shri Thomas, what is this? I am on my legs. This is not the way to raise matters in the House. Please take your seat. Let me say. This is a 'Zero Hour'. When you raised a matter, the hon. Minister was kind enough to respond and you did not allow him to speak fully.

...(*Interruptions*)

MR. DEPUTY-SPEAKER: Again you are not even allowing me to speak in this House.

...(*Interruptions*)

MR. DEPUTY-SPEAKER: Please take your seat. He said that he was prepared for a discussion. Now, this is 'Zero Hour' and in spite of that he has responded. He has also that we can have discussion on this any time. He is prepared to do so. We may find some time for this and take it up in the BAC and then we can have some discussion about the duties, etc.